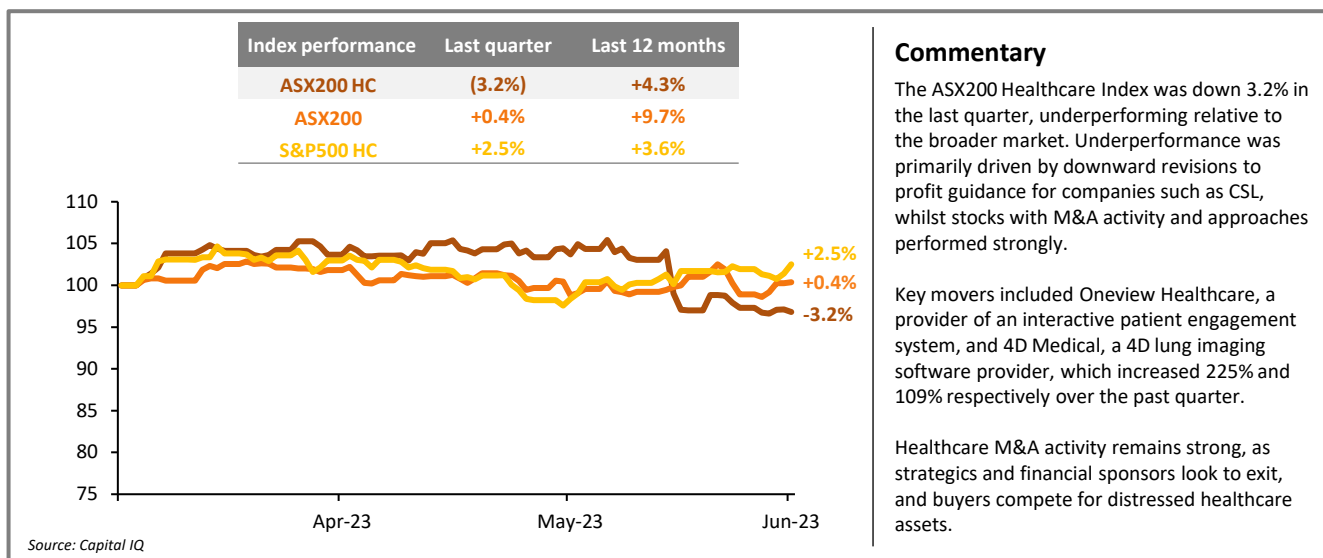


Quarterly performance



Commentary

The ASX200 Healthcare Index was down 3.2% in the last quarter, underperforming relative to the broader market. Underperformance was primarily driven by downward revisions to profit guidance for companies such as CSL, whilst stocks with M&A activity and approaches performed strongly.

Key movers included Oneview Healthcare, a provider of an interactive patient engagement system, and 4D Medical, a 4D lung imaging software provider, which increased 225% and 109% respectively over the past quarter.

Healthcare M&A activity remains strong, as strategics and financial sponsors look to exit, and buyers compete for distressed healthcare assets.

Quarterly M&A & other news

Date	Description
28-Jun-23	Ramsay Health Care (ASX:RHC) and its Malaysian partner, Sime Darby Berhad , are evaluating the sale of their joint venture, Ramsay Sime Darby , an operator of three Indonesian and four Malaysian hospitals
26-Jun-23	Australian Pharmaceutical Industries , a health and beauty company backed by Wesfarmers , has received board support for its A\$3.35 cash per share offer for Silk Laser (ASX:SLA) , implying an A\$178m valuation
20-Jun-23	NIB (ASX:NHF) , an Australian health insurer, has injected another A\$24m into Midnight Health , an online script service, bringing its equity stake to 77%
14-Jun-23	BWX's Sukin brand and Australian manufacturing facilities are up for asset sale, as the collapsed beauty roll-up seeks to recoup Commonwealth Bank's A\$120m investment coming out of receivership
12-Jun-23	Fresenius Medical Care (ETR:FME) , a global healthcare service provider, is looking to sell its 70% stake in Cura Day Hospitals , a Queensland-based day hospital operator, with an estimated price of A\$500m
12-Jun-23	Wesfarmers (ASX:WES) , a diversified conglomerate, has acquired InstantScripts , an online medical prescriptions business, for A\$135m
7-Jun-23	Estia Health (ASX:EHE) , a residential aged care provider, has provided tentative board backing for Bain Capital's revised A\$826.8m offer at A\$3.20 per share, with due diligence to continue into the next month
23-May-23	Carlisle Health , an Australian radiology roll-up, is to acquire Exact Radiology , a radiology services provider with 11 radiology clinics, for A\$37.5m cash up front, and an earnout of up to A\$1.9m
17-May-23	Elekta Dental , an Australian dental roll-up with 45 clinics backed by the Growth Fund , an Australian mid-market private equity firm, is up for sale
9-May-23	Quantum Radiology , a bulk billing medical specialist with nearly a dozen clinics backed by The Growth Fund , is undergoing an auction process for an estimated A\$150m to A\$200m
23-Apr-23	24-7 Healthcare , a mobile primary care provider with 300 doctors and 110 nurses backed by Crescent Capital , an Australian mid-market private equity firm, is up for sale after receiving unsolicited inbound interest
4-Apr-23	Navis Capital , an Asian buyout fund, has taken a majority stake in Caring Group , an Australian NDIS provider of in-home and complex clinical care, for an estimated A\$150m

Sources: Capital IQ, Mergermarket, press reports, AFR

Largest 40 ASX-listed healthcare companies by market capitalisation (June 2023)

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY23F) ⁽¹⁾		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 CSL	133,800	277.38	(4%)	(4%)	3%	(12%)	4%	(4%)	(6%)	(6%)	7.6x	23.8x	35.3x
2 ResMed	48,280	328.30	1%	7%	8%	(12%)	8%	51%	48%	50%	7.9x	24.9x	33.5x
3 Sonic Healthcare	16,747	35.57	2%	19%	8%	(4%)	27%	1%	0%	5%	2.4x	10.6x	22.9x
4 Cochlear	15,043	229.07	(3%)	12%	15%	(10%)	24%	(4%)	(6%)	(1%)	7.9x	30.6x	49.0x
5 Fisher & Paykel	13,066	22.55	(9%)	7%	25%	(12%)	36%	(0%)	(6%)	1%	8.7x	33.0x	55.2x
6 Ramsay Health Care	12,839	56.29	(15%)	(13%)	(23%)	(25%)	4%	(2%)	(7%)	(10%)	1.6x	12.2x	36.4x
7 Pro Medicus	6,855	65.64	3%	19%	55%	(8%)	56%	(0%)	4%	4%	n.m.	n.m.	n.m.
8 EBOS	6,481	33.83	(22%)	(17%)	(4%)	(21%)	5%	(2%)	(14%)	(17%)	0.6x	13.0x	24.2x
9 Ansell	3,368	26.73	1%	(5%)	20%	(10%)	21%	1%	(0%)	(1%)	1.5x	9.6x	15.6x
10 Summerset	2,052	8.83	7%	7%	2%	(18%)	19%	(4%)	3%	2%	12.8x	26.8x	10.1x
11 Healus	1,811	3.18	1%	4%	(13%)	(22%)	24%	1%	2%	7%	2.0x	9.4x	57.0x
12 Neuren	1,550	12.25	(9%)	54%	222%	(19%)	229%	(4%)	(8%)	7%	23.6x	35.1x	41.1x
13 Nanosonics	1,433	4.74	(7%)	10%	41%	(18%)	45%	(1%)	(8%)	(3%)	8.0x	n.m.	94.8x
14 PolyNovo	1,066	1.55	(14%)	(24%)	14%	(43%)	26%	(0%)	(1%)	(19%)	16.2x	n.m.	n.m.
15 Sigma Healthcare	834	0.84	20%	38%	45%	(5%)	54%	5%	12%	16%	0.3x	19.7x	n.m.
16 Estia Health	765	2.96	12%	43%	55%	(2%)	57%	2%	8%	22%	1.2x	8.9x	23.6x
17 Integral Diagnostics	764	3.28	12%	12%	8%	(7%)	38%	0%	1%	6%	2.5x	12.8x	37.5x
18 Australian Clinical Labs	694	3.44	(3%)	15%	(25%)	(39%)	21%	3%	(0%)	2%	1.4x	5.2x	16.7x
19 Regis Healthcare	668	2.22	14%	18%	20%	(7%)	57%	(1%)	5%	8%	0.9x	9.2x	36.2x
20 Oceania Healthcare	513	0.71	4%	(0%)	(16%)	(26%)	17%	3%	4%	3%	4.2x	30.2x	19.1x
21 Monash IVF	446	1.15	7%	20%	22%	(11%)	32%	0%	1%	5%	2.5x	9.5x	17.5x
22 ImpediMed	391	0.18	71%	128%	195%	(12%)	267%	8%	19%	33%	25.3x	n.m.	n.m.
23 Mayne Pharma	367	4.40	17%	10%	(12%)	(48%)	1900%	11%	14%	36%	1.0x	n.m.	n.m.
24 AFT Pharma	347	3.31	3%	(3%)	2%	(12%)	13%	1%	13%	11%	2.5x	18.3x	29.5x
25 Anteris Technologies	332	21.37	12%	(4%)	(26%)	(29%)	18%	(0%)	(6%)	(5%)	n.m.	n.m.	n.m.
26 Vitura Health	287	0.52	37%	(12%)	106%	(50%)	194%	16%	49%	35%	2.3x	11.6x	17.7x
27 Capitol Health	286	0.27	-	(16%)	(4%)	(21%)	13%	(1%)	(2%)	(2%)	2.0x	10.3x	33.8x
28 Cogstate	286	1.65	10%	(16%)	8%	(33%)	45%	(2%)	5%	(2%)	4.2x	42.3x	85.0x
29 EBR Systems	244	0.90	38%	96%	140%	(33%)	134%	(13%)	(10%)	(3%)	n.m.	n.m.	n.m.
30 4DMedical	231	0.67	109%	60%	14%	(47%)	131%	(11%)	(20%)	(11%)	n.m.	n.m.	n.m.
31 Probiotec	228	2.80	19%	29%	24%	(4%)	39%	5%	7%	17%	1.4x	8.3x	17.3x
32 Pacific Smiles	216	1.36	16%	(11%)	(25%)	(31%)	28%	0%	17%	15%	1.8x	13.0x	45.6x
33 Volpara Health	191	0.75	(1%)	43%	79%	(14%)	72%	4%	2%	1%	5.3x	n.m.	n.m.
34 Cyclopharm	188	2.00	10%	71%	97%	(12%)	80%	5%	(0%)	8%	6.7x	n.m.	n.m.
35 Clarity Pharma	182	0.70	(7%)	(29%)	37%	(33%)	40%	(9%)	(6%)	(8%)	27.1x	n.m.	n.m.
36 SILK Laser Australia	177	3.33	60%	75%	84%	(4%)	109%	7%	7%	14%	2.1x	7.8x	15.0x
37 Botanix Pharma	171	0.13	30%	145%	128%	-	150%	19%	33%	44%	n.m.	n.m.	n.m.
38 Incannex Healthcare	159	0.10	(23%)	(43%)	(52%)	(71%)	3%	(4%)	(13%)	(28%)	n.m.	n.m.	n.m.
39 Paragon Care	155	0.24	(4%)	(25%)	(16%)	(47%)	12%	2%	(2%)	(8%)	0.8x	6.7x	9.9x
40 Mach7 Technologies	149	0.62	3%	9%	27%	(23%)	23%	8%	5%	(2%)	4.0x	20.9x	n.m.
Average	6,841		10%	18%	32%	(21%)	102%	2%	4%	6%			

Top 10 best performers in the last quarter⁽²⁾

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY23F) ⁽¹⁾		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Oneview Healthcare	139	0.26	225%	136%	126%	(20%)	326%	(2%)	37%	57%	18.4x	n.m.	n.m.
2 4DMedical	231	0.67	109%	60%	14%	(47%)	131%	(11%)	(20%)	(11%)	n.m.	n.m.	n.m.
3 ImpediMed	391	0.18	71%	128%	195%	(12%)	267%	8%	19%	33%	25.3x	n.m.	n.m.
4 INOVIQ	78	0.85	68%	33%	118%	(14%)	107%	25%	35%	38%	n.m.	n.m.	n.m.
5 SILK Laser Australia	177	3.33	60%	75%	84%	(4%)	109%	7%	7%	14%	2.1x	7.8x	15.0x
6 EBR Systems	244	0.90	38%	96%	140%	(33%)	134%	(13%)	(10%)	(3%)	n.m.	n.m.	n.m.
7 Vitura Health	287	0.52	37%	(12%)	106%	(50%)	194%	16%	49%	35%	2.3x	11.6x	17.7x
8 Botanix Pharma	171	0.13	30%	145%	128%	-	150%	19%	33%	44%	n.m.	n.m.	n.m.
9 Sigma Healthcare	834	0.84	20%	38%	45%	(5%)	54%	5%	12%	16%	0.3x	19.7x	n.m.
10 Probiotec	228	2.80	19%	29%	24%	(4%)	39%	5%	7%	17%	1.4x	8.3x	17.3x
Average	278		68%	73%	98%	(19%)	151%	6%	17%	24%			

Top 10 worst performers in the last quarter⁽²⁾

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY23F) ⁽¹⁾		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Starpharma	127	0.31	(33%)	(44%)	(58%)	(64%)	17%	(7%)	(16%)	(30%)	n.m.	n.m.	n.m.
2 Medical Developments	67	0.78	(30%)	(48%)	(47%)	(72%)	10%	(0%)	(4%)	(4%)	1.1x	n.m.	n.m.
3 Alciddion	120	0.10	(24%)	(34%)	(14%)	(47%)	4%	1%	(5%)	(14%)	2.9x	n.m.	n.m.
4 Incannex Healthcare	159	0.10	(23%)	(43%)	(52%)	(71%)	3%	(4%)	(13%)	(28%)	n.m.	n.m.	n.m.
5 EBOS	6,481	33.83	(22%)	(17%)	(4%)	(21%)	5%	(2%)	(14%)	(17%)	0.6x	13.0x	24.2x
6 Beamtree	63	0.24	(20%)	(32%)	(20%)	(39%)	27%	(8%)	(16%)	(19%)	2.6x	n.m.	n.m.
7 Optiscan Imaging	50	0.08	(20%)	(20%)	(27%)	(48%)	7%	(2%)	(12%)	(16%)	n.m.	n.m.	n.m.
8 Healthia	142	1.01	(18%)	(14%)	(28%)	(46%)	5%	(6%)	(14%)	(17%)	1.2x	7.8x	8.1x
9 Microba Life Sciences	89	0.30	(15%)	(10%)	50%	(33%)	122%	2%	(4%)	(12%)	10.7x	n.m.	n.m.
10 Ramsay Health Care	12,839	56.29	(15%)	(13%)	(23%)	(25%)	4%	(2%)	(7%)	(10%)	1.6x	12.2x	36.4x
Average	2,014		(22%)	(27%)	(22%)	(47%)	20%	(3%)	(10%)	(17%)			

Source: Capital IQ as at 30 June 2023

Notes: (1) Calendarised to June year end; (2) Top 10 best and worst performers are based on companies with a minimum market capitalisation of A\$50 million and have traded for the full quarter.